

**Maryland Energy Administration
EmPOWER Clean Energy Communities
2013 Low-to-Moderate Income Grant Program**

Overview

In Fiscal Year 2013, the Maryland Energy Administration (MEA) has \$2.575 million in EmPOWERing Clean Energy Communities grant funds available through the Strategic Energy Investment Fund (SEIF) for entities that serve Maryland's low-to-moderate income households.

The EmPOWER Clean Energy Communities grants will be competitively awarded to energy efficiency projects that generate significant energy savings, with the financial benefits of the energy savings being passed on to Maryland's low-to-moderate income residents. Projects that maximize energy savings and the number of low-to-moderate income residents served will receive grant funding priority.

In order to ensure an equitable distribution of grant funds, each Maryland county (or county equivalent) was appropriated an allocation of EmPOWER Clean Energy Communities grant funds based on the number of low-to-moderate income households residing in the respective county (or county equivalent). Grant funds will be awarded competitively within the applicant pool for each respective county.

The chart below shows each county's allocation of EmPOWER Clean Energy Communities low-to-moderate income grant funds.

<u>County</u>	<u>Allocation</u>	<u>County</u>	<u>Allocation</u>
Allegany	\$43,500	Harford	\$86,500
Anne Arundel	\$173,500	Howard	\$72,000
Baltimore City	\$368,500	Kent	\$30,000
Baltimore County	\$366,000	Montgomery	\$371,000
Calvert	\$33,000	Prince George's	\$407,000
Caroline	\$30,000	Queen Anne's	\$30,000
Carroll	\$54,000	St. Mary's	\$43,500
Cecil	\$41,000	Somerset	\$30,000
Charles	\$55,500	Talbot	\$30,000
Dorchester	\$30,000	Washington	\$71,000
Frederick	\$101,000	Wicomico	\$48,000
Garrett	\$30,000	Worcester	\$30,000

If MEA does not receive sufficient grant applications in a particular county, MEA may elect to reallocate grant funding to maximize the achievement of the EmPOWERing Clean Energy Communities program goals.

Similarly, if additional sources of grant funding become available during the fiscal year, MEA will also elect to allocate the additional grant funding in a manner that will best achieve the goals of the EmPOWERing Clean Energy Communities program.

General Information

The 2013 EmPOWERing Clean Energy Communities low-to-moderate income grant program is being operated on a county-by-county basis. If an applicant wishes to apply for grants in multiple counties, a SEPARATE grant application must be submitted for each county.

There is no upper or lower limit on the amount of funds for which an applicant may apply except for the county-by-county allocations described in this document.

Funding from Other Sources

Grants may be made in conjunction with, or in addition to, financial assistance provided through other State, federal, or private programs. In all cases, MEA grant funds must supplement, and not supplant, other funding sources. While matching funds are not required, Grantees are encouraged to make a contribution in order to maximize the amount of energy savings achieved through the project. Matching funds can include:

- 1) Cash
- 2) In-kind services
- 3) Equipment, labor, or materials

As part of the EmPOWER Maryland legislation, Maryland's five largest electric utilities offer incentives for a selection of energy efficiency measures. MEA encourages grant applicants to consider leveraging the EmPOWER Maryland energy efficiency programs being offered by the electric utility in their service territory, if applicable. Each electric utility offers slightly different energy efficiency programs. The specific energy efficiency measures being offered are outlined on their individual websites:

Potomac Edison: https://www.firstenergycorp.com/save_energy/save_energy_maryland.html

BGE: www.bgesmartenergy.com

Delmarva Power: <http://www.delmarva.com/energy/conservation/mdinformation/>

Pepco: <http://www.pepco.com/energy/conservation/meiin/>

SMECO: <http://www.smeco.coop/save/>

Should a grantee decide to take advantage of an EmPOWER Maryland energy efficiency program being offered by an electric utility, please note that MEA will only reimburse for the cost of the energy efficiency measures minus the efficiency rebate.

All grant funding leveraged from sources other than MEA, including incentives obtained through participating electric utility rebate programs, should be summarized in *Section 24: Total Funding Match/Leveraged Funds* of the grant application.

Grant Project Period

MEA anticipates that most grant agreements will be available for signature **by January 31, 2013.** MEA requests that all construction be completed by **August 31, 2013** and all invoices and project reports be submitted by no later than **September 30, 2013.**

Eligible Applicants

The following organization types are eligible to receive funding through the 2013 EmPOWERing Clean Energy Communities low-to-moderate income grant program:

- Local governments (counties and/or municipalities)
- Incorporated non-profit organizations
- Homeowners associations as defined by Title 11B of the Real Property Article, Code of Maryland
- Condominium associations as defined by Title 11 of the Real Property Article, Code of Maryland

Non-profit organizations should include a description of their organization in the grant application. Additionally, proof of incorporation should also be included as an attachment to the grant application.

Homeowners associations and condominium associations should provide a description of the association in the grant application including information on how the association complies with the low-to-moderate income requirements of this grant. Associations that fail to clearly outline how the program benefits will be directed towards low-to-moderate income households will not be funded. Additionally, a copy of the declaration that the association has filed in the respective county's land records must be included as an attachment to the grant application.

Grant Income Requirements

Grant funds must be used to fund energy efficiency projects that benefit Maryland's low-to-moderate income population. For the purposes of this application, low and moderate income households are defined as households with total household incomes that are less than 60% and 85%, respectively, of the median income for each Maryland County. Income limits can be found on the Maryland Department of Housing and Community Development (DHCD) website at http://dhcd.maryland.gov/Website/Programs/PRHP/Documents/2012_MD_Income_Limits.pdf. 60% income limits can be found on pages 9 and 10, 85% income limits can be found on pages 17 and 18.

Examples:

	<u>60% AMI</u>	<u>85% AMI</u>	
Allegany County	\$43,560	\$61,700	4-person household
Anne Arundel County	\$51,360	\$72,750	4-person household, Anne Arundel County is part of the Baltimore PMSA

Grant applicants do not have to receive the energy benefits directly (for instance, a non-profit organization could apply for a grant to make energy efficiency improvements in a senior living facility where residents are responsible for paying utility bills).

Allowable Grant Measures

The majority of Grant funds should be directly used on energy efficiency projects and the costs of construction, rehabilitation, or modification related to a project including the purchase and installation of necessary machinery, or equipment.

A limited amount of Grant funding may be used for the costs of technical assessments, licenses, engineering, and/or training, when first approved by MEA.

Grant Restrictions & Limitations

- The State of Maryland has adopted the 2012 International Energy Efficiency Code (IECC). All projects funded through the EmPOWERing Clean Energy Communities grant program should comply with the 2012 IECC code.
- In general, MEA will not provide more than \$5,000 in grant funds per home energy retrofit. For home energy retrofits necessitating an HVAC upgrade, MEA will not provide more than \$8,000 in funds per home energy retrofit.
- For appliance replacements, all appliances funded under this grant must be ENERGY STAR qualified. MEA is unlikely to fund the replacement of any appliances that are not available in an ENERGY STAR version.
- For any refrigerator replaced using EmPOWERing Clean Energy Communities grant funding, the maximum reimbursable cost per ENERGY STAR refrigerator is \$800.
- For water heaters, ENERGY STAR has stopped qualifying electric tank water heaters and electric instantaneous water heaters. For this reason, MEA will no longer fund electric tank water heater or electric instantaneous water heater replacements. ENERGY STAR qualified heat pump water heaters and natural gas water heater replacements are still eligible for grant funding.
- For new home construction projects, MEA will only fund the incremental purchase cost of upgrading to a higher level of energy efficiency (i.e. MEA will pay the purchase cost of upgrading from a baseline efficiency heat pump (SEER 13) to a higher efficiency heat pump (SEER 14.5+)). MEA will not pay for the cost of installing energy efficiency measures in new construction projects unless the grantee can explain why the cost of installing the energy efficiency measure is more expensive than the costs of installing a baseline efficiency measure. If you are proposing a new construction project, please provide MEA with cost estimates for both the energy efficient technology and the baseline efficiency technology in your grant application.
- To comply with the Strategic Energy Investment Fund statute, low income residents cannot be charged for participation in programs that receive EmPOWERing Clean Energy Communities low-to-moderate income grant awards.
- For all moderate income homeowners participating in this program (households with income limits that fall within 60% to 85% of area median income (AMI)), MEA requires that moderate income homeowners contribute at least 10% of the total project cost. AMI limits can be obtained from http://dhcd.maryland.gov/Website/Programs/PRHP/Documents/2012_MD_Income_Limits.pdf.
- Renewable energy technologies are not eligible for the EmPOWERing Clean Energy Communities grant program. Information on MEA programs that provide renewable energy incentives can be found at <http://www.energy.state.md.us/Business/cleanenergygrants/index.html> and <http://www.energy.state.md.us/Residential/cleanenergygrants/index.html>.
- In general, MEA does not normally approve projects that involve fuel switching.
- For any local weatherization agency (LWA) applying for funding in order to enable energy efficiency upgrades on low-to-moderate income residential homes, MEA encourages applicants to work with households that are ineligible for assistance through the Weatherization Assistance Program (WAP) or

the EmPOWER Maryland Low Income Energy Efficiency Program (LIEEP) run by the Department of Housing and Community Development (DHCD).

Administrative Costs

Administrative costs are capped at a maximum of 10% of the Grant award. If you are planning on requesting administrative costs, please be sure to clearly identify the amount of administrative funds being requested in *Section 30: Cost Breakdown* of the EmPOWERing Clean Energy Communities grant application. In *Section 31: Administrative Costs* of the application, Grant applicants should explain how administrative costs will be used in association with their proposed Grant project.

Health & Safety Repairs

For projects involving whole home energy retrofits (such as Home Performance with ENERGY STAR), non-energy related health and safety repairs are capped at \$500 per home.

Grant Evaluation Criteria

After dividing the grant proposals up on a county-by-county basis, proposals will be evaluated using three primary criteria:

- **Annual Energy Savings per dollar of MEA investment-** MEA is looking for projects that maximize potential energy savings. If an applicant can access some sort of matching funds, the ratio of energy savings to dollar of MEA investment will improve.
- **Impact on Maryland's low-to-moderate income residents-** MEA is looking for projects that maximize the number of low-to-moderate income residents that can be served with EmPOWERing Clean Energy Communities grant funding. In FY13, MEA will be evaluating this metric based on the number of low-to-moderate income individuals/households that will benefit from grant funds over a 15 year period, the standard life of many energy measures.

Formula: (# of households) * [(# if individuals/household)/(duration in home)] * 15 years

For example:

- An upgrade to a homeless shelter that is able to house 5 individuals with most people staying approximately one year will serve an estimated 75 individuals over the life of the project.

$$1 \text{ household} * [(5 \text{ individuals/household})/(1 \text{ year})] * 15 \text{ years} =$$

75 individuals will benefit over the 15 year period

- An upgrade to a residential, privately owned home that contains a family of four will benefit four individuals (or 1 household) over the life of the project. It is assumed that the family will not relocate during this timeframe.

$$1 \text{ household} * [(4 \text{ individuals/household})/15 \text{ years}] * (15 \text{ years}) =$$

4 individuals will benefit over the 15 year period

- Three rental homes owned by a non-profit organization receive energy efficiency upgrades. Each home typically houses a 4-person household for an average of 2.5 years.

$$3 \text{ household} * [(4 \text{ individuals/household})/2.5 \text{ years}] * (15 \text{ years}) =$$

72 individuals will benefit over the 15 year period

- **Applicant's willingness and ability to deliver energy upgrades to households that are not eligible for assistance through other channels.** In particular, MEA is looking for applications that propose methods to target populations unable to access the Department of Housing and Community Development's Weatherization Assistance Program (WAP) and EmPOWER Maryland Low Income Energy Efficiency Program (LIEPP) programs.

In addition to the primary criteria shown above, MEA will also be considering the following secondary criteria:

- The ability of project construction to be completed by August 31, 2013 with all invoices submitted to MEA by no later than September 30, 2013.
- Applicant's past performance (if applicable) complying with program requirements.
- Location, as related to the State of Maryland Priority Funding Areas¹. The State of Maryland gives priority to projects occurring in Priority Funding Areas. According to the Maryland Department of Planning (MDP) website (<http://www.mdp.state.md.us/OurProducts/pfamap.shtml>), Priority Funding Areas are existing communities and places where local governments want State investment to support future growth. The following areas qualify as Priority Funding Areas:
 - a. Every municipality, as they existed in 1997;
 - b. Areas inside the Washington Beltway and the Baltimore Beltway
 - c. Areas already designated as enterprise zones, neighborhood revitalization areas, heritage areas and existing industrial land.

Energy Savings Estimates

In order for a grant to be evaluated favorably, the application must include detailed, quantifiable energy savings estimates. To simplify energy savings calculations, MEA has posted a calculator created by the U.S. Department of Energy (DOE) to help estimate the savings associated with energy projects. MEA asks that Grant applicants use this calculator to help quantify their potential project energy savings².

DOE Calculator: The DOE calculator can be downloaded at http://www.energy.state.md.us/documents/ARRA_Benefits_Reporting_Calculator.xls. To use the calculator, you will need to "enable the macro" associated with the calculator, select the correct tab for your type of project (residential energy efficiency, non-residential energy efficiency, etc.), input the zip code where the project is occurring, and then enter the necessary information required for your specific energy measure(s).

When using the calculator, users will be given a choice to enter either a) the number of units to be installed or b) the total dollars that will be spent on a particular measure. MEA asks that each grant applicant use the number of units installed option, in order to increase the accuracy of the energy savings estimates.

Each application should also clearly indicate how low-to-moderate income Marylanders will be identified and how they will benefit (i.e. lower energy bills, increased services, more low-to-moderate income individuals served) from the proposed project.

¹ A map of Priority Funding Areas, including a search by address feature, can be found on the MDP website at <http://www.mdp.state.md.us/OurWork/PFAIMap.shtml>.

² The DOE calculator provides a high level estimate of energy savings. For this application, the DOE calculator is being used by MEA as a tool to help compare all proposed projects using an "apples to apples" comparison. The DOE calculator does not replace engineering or contractor provided energy estimates. If you have alternative energy savings calculations, please include these energy savings estimates below as well, clearly describing the source of the alternative energy savings calculations.

Application Submission

Please use the attached grant application entitled “Maryland Energy Administration EmPOWERing Clean Energy Communities Low-to-Moderate Income Grant Program- FY 2013”. Additional supporting documents can be attached as necessary.

Applications must be submitted to the Maryland Energy Administration by **Wednesday, October 17th, 2012.**

For any project occurring in multiple counties, a separate application must be submitted for each county. Combined applications for multiple counties will not be evaluated.

Instructions for Submitting Applications:

Applications should be submitted via email to the Maryland Energy Administration at

EmPOWER@energy.state.md.us

All applications should meet the following criteria:

- All files should be saved in PDF or Word 1997-2003 format.
- All files sent over to MEA must be less than 10 MB in size. Files in excess of 10 MB will not be processed by MEA’s email system.
- If you are going to submit your application in parts, please number all of your email submissions (Part 1 of 3, Part 2 of 3, etc.) so that we can ensure the entire application is received by MEA.

While electronic applications are preferred, paper applications will be accepted as long as they are dated by the application due date. Paper applications should be addressed to:

Maryland Energy Administration
Attn: EmPOWERing Clean Energy Communities Grant Program
60 West Street, Suite 300
Annapolis, MD 21401

No applications will be accepted after the deadline.

After submitting your application, all grant applicants should follow-up with MEA to ensure that your grant application has been received in its entirety.

Grantee Responsibilities

Grant Agreement:

Before starting work, each grantee will need to first enter into a grant agreement with MEA. Depending on available funding levels and the type of measures proposed, grant applications may not be funded exactly as written in the original grant proposal.

Grant Reporting:

Grantees are responsible for submitting the following reporting documents to the Maryland Energy Administration, as a condition of the grant award:

- 1) Grant timeline(s)
- 2) Monthly Grant Progress Reports

Monthly Grant Progress Report

Once the Grant agreement has been signed, Grantees are required to submit a grant progress report each month until all grant funds have been expended. Grant progress reports are due to MEA by the 28th day of the next month (for example, the grant report for January 2013 should be submitted to MEA by February 28th, 2013).

As in fiscal year 2012, in fiscal year 2013 MEA will be asking grantees to report the specific measures that they installed (for example, the tonnage and Seasonal Energy Efficiency Ratio (SEER) rating of an ENERGY STAR heat pump, the length and R value of pipe insulation installed, etc.) rather than the anticipated energy savings. This procedural change will improve the accuracy of program energy savings estimates as well as simplify the reporting process for grantees. However, this change will require grantees to collect additional information about the energy efficient equipment being installed that may not have been captured during earlier rounds of the EmPOWERing Clean Energy Communities Low-to-Moderate Income grant program. MEA recommends that all potential grantees review the attached draft Monthly Progress Report Form while developing their grant applications to ensure that they fully understand the new reporting requirements.

Grant Invoicing:

All EmPOWERing Clean Energy Communities grants will be distributed through a reimbursement process. The Grant recipient will need to generate and send an invoice and project report, as well as supporting documentation, to MEA in order to receive grant funds. Once all required invoice and reporting documentation have been received and approved by MEA, Grantees can expect to receive reimbursement in approximately 30 days.

Historical Preservation:

In order to comply with the National Historic Preservation Act of 1966, all buildings (including individual homes) being updated using an EmPOWERing Clean Energy Communities low-to-moderate income grant must first be reviewed to ensure that the proposed grant project will not have any “adverse effects” on a historic property. Grant recipients will be required to provide MEA with documentation from the Maryland Historical Trust, or other qualified historian or historic organization, showing that the proposed project will have “no adverse effect” on historic properties.

Additional information on the historical preservation review process can be found on the Maryland Historical Trust’s website at <http://mht.maryland.gov/governments.html>.

Liability Insurance:

Comprehensive third-party liability insurance is expected to be maintained for all work funded by Grant funds. MEA must be named as an additional insured. The insurance provided shall include, but not be limited to, insurance protecting MEA from bodily injury and property damage, including, but not limited to all workers’ compensation insurance, and errors and omissions. All insurance certificates must be maintained in Grantee files and be made available upon request by MEA.

Licensing:

Grantees must ensure that contractors working on projects funded under this program comply with all necessary state and local licensing requirements, including Maryland Home Improvement Commission (MHIC) licensing, as appropriate.

Procurement:

In order to ensure that Grant funds are being used properly, MEA is requesting that each potential Grantee provide a brief summary of their organization’s procurement policy and/or practices in *Section 35: Procurement Policy and/or Practices* of the grant application.

Additional Funds

Because the Strategic Energy Investment Fund (SEIF) is funded in part through the quarterly auction of carbon allowances, additional grant funding occasionally becomes available later in the fiscal year after the initial program announcement has been made. If your organization has the capability and willingness to take advantage of additional grant funding that may become available, please indicate this capability in *Section 36: Additional Funds* of the grant application. Please note that any additional funding will need to be used on projects that are consistent with your original grant application.

Grant Conditions

As a condition of the grant award, all grant recipients must agree to not discriminate in any manner against an employee or grant beneficiary because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or disability of a qualified individual with a disability.

Questions

Grant application questions should be directed to Jenn Gallicchio (jgallicchio@energy.state.md.us) or 410-260-7542) or Josh McClelland (jmclelland@energy.state.md.us).